GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:487
ANSWERED ON:03.03.2005
INVESTMENT BY FOREIGN OIL COMPANIES
Pingle Shri Devidas Anandrao

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether some foreign oil companies have shown interest in making investment in India as reported in the `Danik Jagran` dated 18 January, 2005.

(b) if so, the details thereof;

(c) the details of foreign companies which have shown interest in making investment in India as well of those companies have made direct investment in India;

(d) whether Indian companies are likely to be affected due to investment made by foreign companies; and

(e) if so, the steps being taken by the Government in this regard?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c):- In order to attract significant investments for accelerating exploration and exploitation of hydrocarbon reserves in our 26 sedimentary basins, only 18% of which have thus far been reasonably well explored, and for the development & production of discovered fields situated in the onland and offshore areas of the country, Government have been inviting bids from private companies, including foreign companies, on a regular basis since 1991. The New Exploration Licensing Policy (NELP) was launched in 1997. Four rounds of bidding have taken place and bids for the fifth round of NELP have been declared open on 4.01.2005 with the bid closing on 31.05.05. Following the raodshows held in January & February this year for the promotion of NELP-V, several companies have shown interest in viewing the data for these blocks. A list of these companies is given at Annex I. By 31.3.2004, the total investment made by foreign companies in exploration blocks and in discovered fields awarded to them was to the tune of approximately US$ 1,124 million. The names of the companies which have made or are making investments in the Exploration and Production sector in India are given at Annex-II.

(d) & (e):- India has a large unexplored sedimentary area requiring besides huge investments, new geological ideas and technology. The New Exploration Licensing Policy (NELP) offers equal opportunities to domestic & foreign companies to bid for blocks offered through open international competitive bidding. Indian companies have the option, which they may exercise, of establishing joint ventures with foreign companies in submitting bids.